

STATE CONTROLLER'S OFFICE  
PERSONNEL/PAYROLL SERVICES DIVISION  
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DATE: January 22, 2007

PERSONNEL LETTER #07-002  
CSU ONLY

TO: All Campuses in the Uniform State Payroll System

FROM: Don Scheppmann, Chief  
Personnel/Payroll Services Division

RE: **CALIFORNIA STATE UNIVERSITY BARGAINING UNITS 02, 05, 07 AND 09 AUGUST 2, 2006 GENERAL SALARY INCREASE**

The agreements reached between the California State University (CSU) and Bargaining Units (BU) 02, 05, 07 and 09 employees provide for a 3.0% General Salary Increase (GSI) and a Market Salary Adjustment of 0.324% effective August 2, 2006. Refer to Technical Letter HR/Salary 2007-01 for further information.

A GSI Employment History (EH) mass update was processed on Thursday evening, January 17, 2007. The resulting August 2, 2006 effective date GEN transaction included both rate increases for a total increase of 3.324%.

The Service Salary Increase (SSI) was suspended for this fiscal year due to an expired contract. Effective with the new agreement, SSIs will now continue. PPSD will manually process an MSA transaction to provide the SSI for eligible employees. The transactions for employees with a 07/2006 though 02/2007 anniversary date will be processed beginning January 23, 2007 and continue until completed in February 2007. Beginning in March 2007 the MSA transactions will be processed monthly for employees eligible for the SSI that month. Please refer to Technical Letter HR Salary 2007-01 for assigning a new anniversary date due to the new SSI max increase. In addition, see Campus EH processing instructions, item number 10 below for transaction processing order.

#### PPSD EH UPDATE PROCESS

All employees in BU 02, 05, 07 and 09 are entitled to receive a 3.324% salary increase effective August 2, 2006.

Employees with an appointment expiration date that is prior to August 2, 2006 were included in the EH mass update. Campuses can access a list of the employees via the CIRS Compendium Report H50, Cycle 0701 under Campus Detail, General Salary Increase. Campuses must determine if the employees are to be reappointed or separated and key enter the appropriate transactions.

Employees with a separation effective date prior to August 2, 2006 may need an adjustment to their lump sum payments, if those payments extended beyond August 1, 2006. A GEN transaction was not posted. PPSD will identify the affected employees and manually adjust the lump sum payments.

Employees with a red circle rate were not included in the EH mass update. PPSD will identify the affected employees and manually process the salary increases via the GEN transaction.

Employees on NDI, Supplementing with Catastrophic Leave Donations, are eligible for the salary increase. If an employee was on NDI effective August 2, 2006 or later, the EH mass update posted the GEN transaction and generated the new salary rate. The mass update also corrected any subsequent transactions with the new salary rate. However, the mass update could not update EH records for those employees who were on NDI prior to August 2, 2006. PPSD will identify the affected employees and manually process the GEN transaction as well as correct any subsequent transactions.

### PAYROLL ADJUSTMENTS

The majority of the regular pay adjustments resulting from the EH mass update for the 08/2006 through 12/2006 pay periods will be made in the daily payroll cycle issue dated 01/19/07. Any payments not generated from the EH mass update will be identified and manually processed. Please allow ten working days from the date an employee's EH record was updated before inquiring on the employee's missing adjustment payments.

### RETROACTIVITY CHARGES

All transactions as a result of the salary increases are considered to be non-controllable personnel and payroll transactions. The EH transactions and adjustment payments from the GEN transaction mass update and the PPSD manual updates will not be reflected on the Monthly Retroactivity Report. All other transactions will appear on the monthly report (see PPM Section A011 for further information). A campus may return the report identifying the items associated with the salary increases along with the appropriate explanation.

### CAMPUS EH PROCESSING INSTRUCTIONS

Based on the update processed by PPSD, the following is a guideline for processing various EH transactions. The transactions should be key entered in the order indicated.

1. Separations effective 08/01/06 or prior:
  - a. GENV effective 08/02/06.
  - b. MSAV effective 08/02/06, if applicable.
  - c. SXX.
2. Separations effective 08/02/06 or later, including Leaves Without Pay (S49 and 565 transactions with Job Injury Code = 7), should be processed as usual with the exception identified in #3 below. Also do not void the GEN transaction.

If a separation for a 10/12 or 11/12 employee was keyed prior to the GEN transaction with Item 810, Final Settlement Pay reflecting the old salary rate, correct the separation as follows:

SXXC – enter the new total amount due in Item 810, Final Settlement Pay. (Listings identifying the affected employees will be sent out to the campuses.)

3. Employees on NDI/Leave of Absence Without Pay as of 08/02/06 and are to separate 08/02/06 or later with lump sum vacation/extra hours (Item 621) or final settlement pay (Item 810) requested on the separation transaction:
  - a. A57 or A58 effective same date as SXX and effective date hours = COB (reinstate at the old salary rate). Also, enter 'Lump Sum Only' or 'Settle Only' in Item 215, EH Remarks.
  - b. GEN effective the same date as the A57 or A58 transaction and effective date hours = COB (enter the new salary rate in Item 820, Assigned Salary Rate).
  - c. SXX.

Note: For employees who have a separation date of 08/02/06 and the separation has been posted and the employee was on NDI/Leave Without Pay without reinstatement, the campus will need to process a separation void, then post the transactions per Item 3 and repost the separation.

4. Leave of Absences effective 08/01/06 or prior, including 565 transactions with Job Injury Code = 7:
  - a. GENV effective 08/02/06.
  - b. MSAV effective 08/02/06, if applicable.
  - c. SXX or 565.
5. Appointments effective 08/01/06 or prior and Item 450, Prior State Service = 1, 3, or 4:
  - a. AXX.
  - b. GEN effective 08/02/06 (enter new salary rate in Item 820, Assigned Salary Rate).

6. Appointments effective 08/02/06 or later and Item 450, Prior State Service = 1, 3, or 4:

No GEN transaction is required. However, enter the new salary rate in Item 820, Assigned Salary Rate on the appointment transaction.

7. Reinstatements effective 08/01/06 or prior, including A57, A58, A68 and 565 with Job Injury Code = 4 (if prior status was Job Injury Code 7) transactions:
  - a. AXX or 565.
  - b. 715 effective date as the A68 or 565 transaction, if applicable to change Item 330, Anniversary Date and/or Item 430, Probationary Period due to non-qualifying pay periods.
  - c. MSA (if applicable).
  - d. GEN effective 08/02/06 (enter new salary rate in Item 820, Assigned Salary Rate).
  - e. MSA (if applicable).
8. Reinstatements via the A57 or A58 transaction effective 08/02/06 or later:
  - a. A57 or A58 (reinstate at old salary rate).
  - b. GEN effective the same date as A57 or A58 transaction (enter the new salary rate in Item 820, Assigned Salary Rate, and HR/SA 2007-01 in Item 215, EH Remarks).
  - c. MSA (if applicable).

9. Reinstatements via the A68 or 565 transactions with Job Injury Code = 4 (if prior status was Job Injury Code 7) effective 08/02/06 or later:

- a. A68 or 565.
- b. 715 effective the same date as A68 or 565 transaction, if applicable to change Item 330, Anniversary Date and/or Item 430, Probationary Period due to non-qualifying pay periods.
- c. GEN effective same date as A68 or 565 transaction (enter the new salary rate in Item 820, Assigned Salary Rate.)
- d. MSA (if applicable).

10. When assigning a new anniversary date per the new SSI maximum increase, process the transactions in the following order:

New anniversary date of 07/06

- a. CRO effective 07/01/06
- b. MSA effective 07/01/06
- c. GENC effective 08/02/06

New anniversary date of 08/06

- a. GENV effective 08/02/06
- b. CRO effective 07/01/06
- c. MSA effective 08/02/06
- d. GEN effective 08/02/06

New anniversary date of 09/06

- a. CRO effective 07/01/06
- b. GENC effective 08/02/06
- c. MSA effective 09/01/06 – 01/31/07

11. When processing the transaction per condition #3, #7, #8 or #9 above, audit message 9320-02 or 330-02 will be received if the employee's salary rate is below the new minimum rate or was the old maximum rate. Attach the audit message to the PPT input document package and submit to PPSD for processing.
12. If a correction to a previous keyed 08/02/06 effective date transaction (i.e., keyed prior to the 08/02/06 effective date GEN transaction) is processed, audit message 9320-02 or 330-02 may be received. The transactions with the audit message attached to the PPT input document need to be submitted to PPSD for processing. Refer to the PIMS Manual for out-of-sequence processing. If other audit messages are received, please contact your CSU Audits' Representative.
13. Transactions not identified above, process as usual.

If you have any questions regarding the update process or above guidelines, please contact your CSU Audits' Representative.

PMAB:JB:DS